

Message Text

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ACTION OES-06

INFO OCT-01 NEA-10 ISO-00 ERDA-05 L-03 NRC-05 ACDA-07
CIAE-00 INR-07 IO-13 NSAE-00 NSC-05 EB-08 DODE-00
FEA-01 SS-15 PM-04 /090 W
-----200757Z 021569 /17
R 191151Z APR 77
FM AMCONSUL BOMBAY
TO SECSTATE WASHDC 7231
INFO AMEMBASSY NEW DELHI

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E.O. 11652 N/A
TAGS: TECH, ENRG, PARM, IN
SUBJ: TARAPUR FUEL STORAGE

REF: STATE 81468

1. DURING PAST TWO DAYS CONGEN HAS HAD TWO DISCUSSIONS WITH
IAEC ABOUT THE PROPOSED AGREEMENT BETWEEN US ERDA AND INDIAN
AEC TO PERFORM FEASIBILITY STUDY FOR THE POTENTIAL INCREASE OF
SPENT FUEL STORAGE AT TAPS AND RELATED PROPOSED AGREEMENT BETWEEN
G.E. AND THE INDIAN AEC.

2. ON APRIL 18TH, J.C. SHAH INVITED CONGEN TO A MEETING
WITH HIS LEGAL, FINANCIAL, AND TECHNICAL STAFF AT WHICH
INDIAN OFFICIALS RAISED MANY QUESTIONS ABOUT THE TWO PROPOSED
AGREEMENTS. SHAH SAID THAT BASICALLY THE IAEC WOULD PREFER
A SIMPLE APPROACH TO THE STUDY AND FOUND THAT THE TWO LENGTHY
AGREEMENTS WHICH TENDED TO COVER MANY REMOTE CONTINGENCIES
COULD COMPLICATE GETTING THE STUDY OFF THE GROUND. BASICALLY
THE IAEC WAS BOTHERED BY THE ERDA AGREEMENT BECAUSE IT
WENT INTO MANY FIND POINTS BUT NOT DEAL WITH SUCH
SUBSTANTIVE MATTERS AS THE SCOPE OF THE STUDY OR FIX FIRM TIME-
TABLES AND OTHER PARAMETERS FOR ITS COMPLETION.

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3. THE IAEC ALSO HAD DIFFICULTY IN UNDERSTANDING WHY A
SECOND AGREEMENT WITH G.E. IS NECESSARY AT ALL.

4. CONGEN EXPLAINED THAT ERDA NEEDED SOME SORT OF A BASIS
FOR FINANCING WHAT COULD TURN OUT TO BE A FAIRLY EXPENSIVE
STUDY, PARTICULARLY SINCE IT WOULD BE HIRING AN OUTSIDE

CONTRACTOR TO DO MOST OF THE WORK. SINCE SOME SORT OF AGREEMENT OBVIOUSLY NECESSARY, IT PROBABLY BETTER TO HAVE THIS DOCUMENT SPELL OUT THE PURPOSES OF THE EXERCISE AS WELL AS THE MODALITIES FOR CARRYING IT OUT AND THE

GENERAL PROTECTION THAT WOULD BE ACCORDED THE PEOPLE DOING THE STUDY AS WELL AS THE RESULTS OF THE STUDY.

5. THE IAEC FOUND THAT THE TEXT OF THE PROPOSED AGREEMENT WITH G.E. PICKED UP A LOT OF THAT COMPANY'S STANDARD CONTRACTUAL LANGUAGE WHICH THE IAEC HAS BEEN RESISTING IN OTHER DEALINGS WITH G.E. GENERALLY, THE IAEC FOUND THE G.E. PROPOSED LANGUAGE MUCH MORE DIFFICULT TO ACCEPT THAN THE ERDA DRAFT. CONGEN ALSO MADE CLEAR G.E. IS INSISTENT ON SEPARATE AGREEMENT FREEING IT FROM LIABILITY.

6. ON APRIL 19TH J.C. SHAH TELEPHONED TO SAY THAT AFTER CONSIDERING THE EXPLANATION GIVEN BY CONGEN, THE IAEC STAFF WAS INCLINED TO RECOMMEND THAT THE ERDA DRAFT BE ACCEPTED PRETTY MUCH AS IT STANDS. HOWEVER, HE DID NOT SEE ANY WAY THAT THE IAEC COULD ACCEPT THE G.E. DRAFT ALTHOUGH IAEC IS PERFECTLY READY TO RELIEVE G.E. OF ANY LIABILITY FROM STUDY OR ITS APPLICATIONS IN INDIA. HE WONDERS WHETHER SUCH A FUNDAMENTAL AND GENERAL ASSURANCE COULD NOT BE INCORPORATED INTO THE ERDA-IAEC CONTRACT THEREBY ELIMINATING THE NEED FOR A SEPARATE AGREEMENT BETWEEN IAEC AND G.E.

7. SHAH HOPES TO GIVE CONGEN A FORMAL RESPONSE TOWARD LIMITED OFFICIAL USE

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THE END OF TH THIS WEEK WHICH WILL INCORPORATE ABOVE APPROACH TO ERDA-IAEC PROPOSED AGREEMENT AND WHICH WILL SPELL OUT IN DETAIL PROBLEMS WITH THE PROPOSED AGREEMENT WITH G.E. HE BELIEVES THAT HIS OBJECTIONS TO THE G.E. CONTRACT ARE SO EXTENSIVE THAT THEY REALLY RULE OUT GOING AHEAD WITH THE FORMULATION ENVISAGES IN REFTEL.

8. PLEASE ADVISE WHETHER ERDA SEES ANY CHANCE OF INCORPORATING G.E.'S CONCERNS INTO ITS OWN PROPOSED DRAFT AGREEMENT IN A GREATLY CONDENSED FASHION.
COURTNEY

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Message Attributes

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Sent Date: 19-Apr-1977 12:00:00 am
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